

BILL SUMMARY
1st Session of the 55th Legislature

Bill No.:	HB 1554
Version:	FA1
Request Number:	NA
Author:	Rep. Sears
Date:	3/2/2015
Impact:	Modifies Credit Value Extends Years of Eligibility to Ten Years

Research Analysis

Pending

Prepared By: Marcia Goff

Fiscal Analysis

The amendment modifies the per kilowatt hour value of the income tax credit for zero-emission electricity generation from the tapering of the credit percentage over five years to a value of \$0.0015/KwH. The amendment also provides for the credit to be available for a period of ten years, where the introduced bill provided for five years.

The modification of the rate and duration will not change the potential value of the credits. Previous analysis by the Tax Commission indicated:

Fiscal Impact

Credit for Electricity Generated by Zero-Emission Facilities

The new credit proposed by this measure decreases the amount of the credit and reduces the number of years the credit is available.

Most, if not all, facilities that qualify for the Credit for Electricity Generated by Zero-Emission Facilities are wind farms. Data from the Kansas Energy Information Network² suggests as of February 2014, seven (7) new wind farms are under construction and an additional eight (8) are classified as proposed, for a total of fifteen (15) wind farms. It is difficult to estimate the volume of electricity which will be generated, or when the electricity will be generated, so predicting the amount of credit is speculative at best. Potential changes to estimated tax and withholding for tax year 2017 would impact FY17.

Prepared By: Mark Tygret

Other Considerations

None.

